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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

March 31, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

RE: CC Docket 90-571 Proposals for
Telecommunications Relay Services (TRS) Fund
Administrator

Dear Ms. Salas:

On March 12, 1999, MCI Worldcom (MCI) filed Reply Comments in the aforementioned docket. MCI's reply comments inaccurately summarize the issues surrounding appointment of an Interstate TRS Fund administrator. Specifically, MCI contends that insufficient time was provided for potential administrators to come forward with proposals to perform the administrative functions. MCI suggests that NECA's administration of the Fund may be inefficient, and further suggests that until such time as some other party comes forward with a competitive bid for performing the administrative functions, the Commission will not know "whether NECA is minimizing the costs of administering the fund".¹ As a remedy, MCI proposes that the Commission appoint NECA as administrator for a one-year period and actively seek alternative candidates to perform the administrative functions.

When the Commission established the Interstate TRS Fund in July 1993, it named NECA as interim administrator for a period of two years. In February 1995, the Commission began the process of identifying candidates to perform these administrative functions. In June 1995, the Commission extended NECA's appointment as administrator for an additional four years, to July 1999. MCI's contention that the Commission provided insufficient time for potential alternative candidates to formulate and submit proposals is totally without merit since in reality, any interested party would have had almost four years to formulate its proposal. In addition to having a lengthy period of time to formulate a proposal, any interested party would have had the benefit of reviewing the annual reporting of expenditures incurred by NECA in administering the fund each year.²

As the record indicates, NECA's expenditures have been below the budgeted level each year that it has administered the program. NECA's Annual Submission of TRS Payment and Revenue Requirements provided to the Commission on October 1, 1998 reported an average annual administrative cost of approximately \$370 thousand for 1993 through 1998. For the current administrative period, (i.e., 1995 through 1998), the average annual administrative expenses have been approximately \$327 thousand. Further, any surplus administrative expenses collected have been returned to the contributors to the

¹ MCI Worldcom Reply Comments @ 2.

² While the Commission's Public Notice requested other parties to submit a projection of their expenses, a similar requirement was not made of NECA. NECA's expenses for administering this program have been a part of the record since the program's inception, as required by 47 C.F.R. §64.604.

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program through a lower than otherwise required funding requirement for the ensuing period. NECA's administrative expenses do not include a profit margin, so the program is being assessed only what it costs NECA to perform the required functions in accordance with the rules.

All other parties that commented on the selection of an administrator in the proceeding, including the largest contributors and recipients from the program, favor NECA's continuation as administrator. The Commission should give little weight to MCI's concerns and act expeditiously to reappoint NECA as TRS administrator for at least an additional four-year term.

Thank you for the opportunity to contribute to the record in this matter.

A handwritten signature in black ink, appearing to read "John A. Rucker". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

cc: Ms. Anna Gomez, FCC- Network Services Division
Ms. Debra Sabourin, FCC- Network Services Division
Ms. Marilyn Jones, FCC- Network Services Division
Mr. Lawrence Fenster, Senior Economist, MCI Worldcom

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing filing was served this 31st day of March 1999, by mailing copies thereof by United States Mail, first class postage paid, or by hand delivery, to the persons listed below.

Yolanda Sly

The following parties were served:

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